

# DRAFT

## STATE WATER RESOURCES CONTROL BOARD BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE JULY 19, 2006

### ITEM 6

#### SUBJECT

CONSIDERATION OF A RESOLUTION APPROVING THE PRELIMINARY FUNDING COMMITMENT FOR THE CITY OF SHASTA LAKE (CITY); SHASTA LAKE RECLAIMED WATER UTILIZATION FEASIBILITY STUDY (STUDY); WATER RECYCLING FUNDING PROGRAM (WRFPP); PROJECT NO. WRFPP-3518-010

#### DISCUSSION

On March 7, 2000, the voters approved the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act (2000 Bond Law, designated Proposition 13 on the ballot), authorizing the State Water Resources Control Board (State Water Board) to issue water recycling facilities planning study grants. This authorization continues the water recycling facilities planning grant program initiated under the Safe, Clean, Reliable Water Supply Act of 1996.

The State Water Board approved the WRFPP Guidelines (Guidelines) on October 21, 2004, governing the Water Recycling Construction Program and the Facilities Planning Grant Program (FPGP).

On March 22, 2006, the City submitted a funding request to complete the proposed Study. The estimated total Study cost is \$115,000 and the grant requested is \$57,500. The Division of Financial Assistance (Division) staff have reviewed the City's application for a FPGP grant and have determined that the proposed Study complies with the Guidelines. Based on the review of the application package and other documents submitted by the City, the Division has determined that the proposed Study will evaluate feasible alternatives to augment state water supplies.

The proposed Study will conclude with preparation of a Feasibility Planning Report (Report), which will evaluate potential recycled water customers within the study area, and present water reuse alternatives to serve these potential customers. The Report will determine the feasibility of providing recycled water from the City's wastewater treatment facility to Tierra Oaks golf course, Gold Hills golf course, expanding deliveries to Caltrans, and other potential users. The Study area is located in unincorporated Shasta County, portions of the City of Redding and the Interstate 5 corridor located in the Cities of Shasta Lake and Redding. The potential use of recycled water by potential users identified in the Study could augment state water supplies.

#### POLICY ISSUE

Should the State Water Board:

1. Approve a facilities planning grant for 50 percent of the eligible costs but not to exceed \$57,500 to the City for the proposed Study?
2. In accordance with the Guidelines, condition this approval by withdrawing the WRFPP preliminary funding commitment and terminating any executed grant agreement if the City does not submit the final Study report by June 30, 2008?
3. Authorize the Division staff to grant a one-year time extension from the expiration date for good cause without further action by the State Water Board.

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## **FISCAL IMPACT**

A total of approximately \$113 million was initially made available in the 1996 and 2000 Bond Law Water Recycling Subaccounts for water recycling funding. Of this amount, 41 percent (\$46.3 million) was designated for planning grants and construction loans with 40 percent of this amount (\$18.5 million) specified for Northern California. This fund is continuously appropriated. This planning grant will be funded from the Northern California allocation.

## **ENVIRONMENTAL IMPACT**

None (feasibility study only).

## **REGIONAL BOARD IMPACT**

None (feasibility study only).

## **STAFF RECOMMENDATION**

The State Water Board should:

1. Approve a facilities planning grant for 50 percent of the eligible costs but not to exceed \$57,500 to the City for the proposed Study;
2. Include a condition that this preliminary funding commitment will be withdrawn and any executed grant agreement will be terminated if the City does not submit the final report by June 30, 2008, for the proposed Study; and
3. Authorize the Division staff to grant a one-year time extension from the expiration date for good cause without further action by the State Water Board.

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## STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2006 -

### CONSIDERATION OF A RESOLUTION APPROVING THE PRELIMINARY FUNDING COMMITMENT FOR THE CITY OF SHASTA LAKE (CITY); SHASTA LAKE RECLAIMED WATER UTILIZATION FEASIBILITY STUDY (STUDY); WATER RECYCLING FUNDING PROGRAM (WRFP); PROJECT NO. WRFP-3518-010

#### WHEREAS:

1. On March 7, 2000, the voters approved the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act, and provided authorization for the State Water Resources Control Board (State Water Board) to issue water recycling facilities planning grants;
2. The State Water Board adopted revised guidelines governing the Facilities Planning Grant Program (Guidelines) on October 21, 2004;
3. The City submitted a grant application dated March 22, 2006, requesting grant funding for the City's Reclaimed Water Utilization Feasibility Study (Study);
4. Division staff reviewed the application and other supporting information for the Study and determined that the submitted documents comply with the Guidelines. Subsequently, a Plan of Study approval letter was issued to the City on May 22, 2006;
5. The City is a signatory to the Memorandum of Understanding with the California Urban Water Conservation Council; and
6. The City has prepared and adopted an Urban Water Management Plan and submitted the plan to the Department of Water Resources.

#### THEREFORE BE IT RESOLVED THAT:

##### The State Water Board:

1. Approves a facilities planning grant for 50 percent of the eligible costs but not to exceed \$57,500 to the City for the proposed Study;
2. Includes a condition that this preliminary funding commitment will be withdrawn and any executed grant agreement will be terminated if the City does not submit the final Study report by June 30, 2008, for the proposed Study; and
3. Authorizes the Division staff to grant up to a one-year time extension from the expiration date for good cause without further action by the State Water Board.

#### CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on July 19, 2006.

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Clerk to the Board